

ECONOMIC INTELLIGENCE COMMITTEE

ANNUAL REPORT OF THE EIC SUBCOMMITTEE ON SHIPBUILDING, FY 1960

A. Activities of the Subcommittee During Fiscal Year

1. Review of the Intelligence Product

The Subcommittee has undertaken no formal review of the intelligence product on shipbuilding matters beyond the informal liaison between subcommittee members.

2. Research and Collection Deficiencies

a. Research Deficiencies

- (1) A statement of the progress during the year in filling priority research deficiencies is attached hereto as Annex A. A review of the Priority Research Deficiencies on Sino-Soviet Bloc Shipbuilding, EIC-S-1/13, 18 March 1957, will be undertaken during the coming year.

b. Collection Deficiencies

- (1) The Subcommittee reviewed and concurred in a Survey of Priority Deficiencies in Research on Sino-Soviet Bloc Merchant Marines submitted by the EIC Secretary in a memorandum dated 28 September 1959.
- (2) The Subcommittee reviewed CIA/ORR statement of priority gaps on the Shipbuilding Industry of Communist China.
- (3) The Subcommittee agrees that the requirement of the individual agencies largely cover basic collection requirements. These basic collection requirements, however, are being supplemented, principally in the area of economic reporting, by the preparation in CIA (RR) of gaps in information on a single country basis.
- (4) One of the principal economic gaps is information on domestic cost of construction of naval and merchant ships in the Sino-Soviet Bloc.

3. Review of Substantive Papers

- a. The Subcommittee prepared and issued as a Subcommittee working paper Estimate of Production of Naval and Merchant Vessels in the USSR 1957, 1958 and 1959, EIC-SSC-WP4.
- b. The Subcommittee reviewed the preliminary draft of the Feasibility Study of W-class Submarines, prepared by ONI, and noted the draft of Methodology for Estimating Production Capability of the USSR for Standard Cargo Ships, prepared by CIA (RR).

4. Review of Proposals for External Research

None.

5. Maintenance of Agreed Basic Statistics

The Subcommittee plans to continue the annual publication of an agreed estimate of Soviet Shipbuilding covering the two immediate past years and the current year.

6. Projects Undertaken at the Request of the EIC or Proposed to EIC

None.

7. Intelligence Research Techniques

Nothing to report.

8. Special Coordination Functions of the Subcommittee

a.



25X1X7

b. The Subcommittee will assume responsibility for arranging and conducting the [redacted] Conference scheduled to be held in Washington on 31 October, 1 and 2 November 1960.

25X1X7

9. Evaluation of the Role of the Subcommittee

It is believed that this Subcommittee is of considerable value as a medium of interagency review and coordination.

B. Future Program of the Subcommittee

The Subcommittee plans to continue the exchange of information regarding research programs, the coordination of draft papers, discussions of Sino-Soviet Shipbuilding techniques and productions, and the annual agreed estimate on USSR Shipbuilding. It is also planned to review the Priority Research Deficiencies in Shipbuilding during the coming year. In addition, the Subcommittee will arrange and conduct the [redacted]

25X1X7

ANNEX A

Progress Report on Priority Deficiencies of Research

By EJC Subcommittee on Shipbuilding

Gaps in Intelligence

- I. Methodology for estimating the maximum capability of a shipyard.
- II. Studies of manufacture of major shipbuilding components.
- III. Input requirements.
- IV. Studies of individual major shipyards.
- V. Studies of minor and small shipyards.
- VI. Production and repair of merchant ships under 1,000 grt, inland and fishing craft.

Progress to Date

- (1) CIA (RR) project on methodology for estimating capability of a shipyard to produce standard cargo ships is in editorial phase, July publication date estimated.
- (1) Nothing to report.
- (1) This research deficiency considered fulfilled.
- (1) This research deficiency is considered fulfilled by ONI Port Series, ONI has scheduled periodic updating of this series.
- (1) Same as IV (1) above.
- (1) Production of ships by the USSR under 1,000 grt is scheduled in annual EJC Shipbuilding report on USSR shipbuilding. Production of other Sino-Soviet Bloc countries is scheduled by CIA (RR) on annual report basis, first annual report to be published in fall 1960, thereafter in the 2nd quarter of year.
- (2) CIA (RR) tentatively has scheduled updating of RR 129 and RR 116, Construction For Fishing and Inland Fleets, respectively, to include projections through 1965. Nothing to report on repair of ships.

Gaps in Intelligence

Progress to Date

- |   |  |
|---|--|
| VII. Import and export of materials, components, and new vessels. | (1) CIA (RR) annual report (in progress) in Sino-Soviet Shipbuilding will include distributions and value of production of new vessels, first publication date fall 1960. Nothing to report on materials and components.   |
| VIII. Employment in the shipbuilding industry.                    | (1) Nothing to report.   |
| IX. Costs of construction of naval and merchant vessels.          | (1) CIA (RR) report RA 59-7, May 59, estimates the cost in rubles to produce merchant ships in the USSR. CIA (RR) report RR 59-19, estimates the cost in rubles to produce in the USSR the W-class submarines. CIA (RR) report in preparation -- publication date 3rd quarter 1960 -- estimates the prices in rubles paid by the USSR for imported merchant ships. |
| X. Capital investment in the industry.                            | (1) Nothing to report.   |